



SKILLS COMMITTEE	AGENDA ITEM No: 2.1
DATE OF MEETING 9th March 2020	PUBLIC REPORT

ADULT EDUCATION BUDGET ALLOCATIONS FOR ACADEMIC YEAR 2020/21

1.0 PURPOSE

This report seeks delegated authority for the Director of Business & Skills in consultation with the Lead Member for Skills to award the Adult Education Budget award allocations to the 12 Local Colleges and Local Authority Providers and Independent Training Providers in June 2020 for academic year 2020/21.

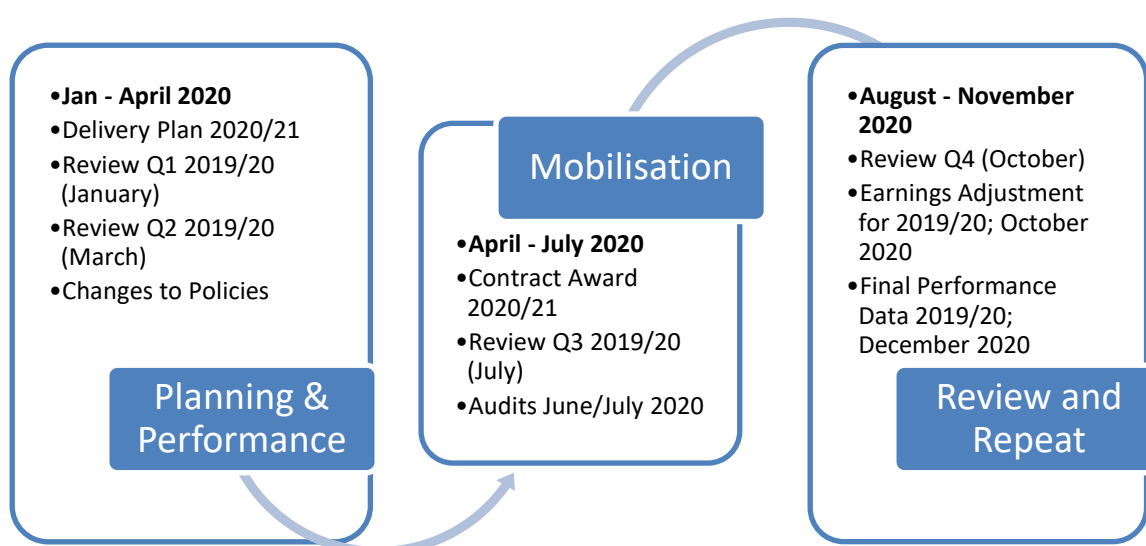
<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Officer:	Neil Cuttall, AEB Programme Manager
Forward Plan Ref: KD2020/007	Key Decision: Yes
The Skills Committee is recommended to: (a) Approve the indicative Adult Education Budget allocations of DfE funding to the Providers identified within this report (b) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Skills and the Section 73 Officer, to approve the final allocation figures by June 2020. The delegation will include the authority to withdraw, reduce or increase the allocation for 2020/21.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1 In early February 2020 Adult Education Budget (AEB) Officers provided a Delivery Plan template to the local providers requesting that they (a) inform the Combined Authority how their future adult learning provision would assist us in achieving the strategic aims identified within the Commissioning Strategy, Local Industrial Strategy and Skills Evidence Base; and (b) return

the aforementioned Delivery Plan to the Combined Authority in March 2020. Clarification meetings are set to be undertaken in March and April 2020.

- 2.2 During February 2020 the AEB Officers undertook quarter 2 performance management meetings with all 17 providers of AEB. The quarter 3 performance meetings will take place in May 2020. It is intended that on completion of the evaluation process, offers of grant provision will be made to the 12 local Grant Providers in June 2020. This will include an assessment of the performance against spend to date, and performance against the delivery plans outlined in March 2019. Due to the nature of proposed changes identified within the Commissioning Strategy, Officers would recommend that a 25% variance on individual contracts is sought to be able to offer grants which respond to this exercise evaluating proposed skills provision growth against strategic priorities.
- 2.3 Due to the pre-election period, and the requirement to ensure that providers have sufficient time to create the necessary infrastructure to mobilise and provide courses from August 2020, the report seeks for delegated authority to the Director of Business and Skills, in consultation with the Lead Member for Skills, to approve the grant offers in June 2020.
- 2.4 The academic year 2020/21 will be the second year that the Combined Authority will have held responsibility for the Adult Education Budget and will be the first year that localised policy changes will have been enacted. There is an operational overlap with the delivery of allocations as in diagram 1 below.



- 2.5 Diagram 1 identifies that there is a cross over in the time period that a provider is allocated an award of AEB, and confirmation of receipt of expenditure for the current year and performance against delivery plan. This

means that the Combined Authority could allocate a grant award to a provider who does not defray full expenditure or meet their targets within the current operational year. Therefore, Officers propose that an indicative allocation be made in March 2020, with a final offer, (with contractual conditions on past performance) stated in June 2020.

Issues:

- 2.7 The AEB team undertook a consultation exercise in February 2020 with a view to changing certain AEB policies and programmes to achieve the priorities identified in the recently approved Commissioning Strategy. This has identified policy changes that will affect the delivery of learning for our AEB providers. The implication of this will be a variance on the Individual Delivery Plans each provider submits. Therefore, regular performance meetings will be undertaken to allow the flexibility for providers to adapt their delivery with a focus on the expected outcomes required of the Commissioning Strategy.
- 2.8 The AEB allocations provided are based on the settlement figure that the Government provides to the Combined Authority. Therefore, a reduction in the settlement will inevitably lead to a reduction in the allocations process. If the settlement figure is higher there is an opportunity for providers to seek growth funds.
- 2.9 Providers have not yet delivered their individual year one (2019/20) allocations. The AEB team will, as standard, implement a reduction in the individual providers' year 2 allocation by the same amount as underspent in year 1. If the provider can inform the CPCA of a reason for the underspend the reduction will be reconsidered in the 2nd year and monitored.

3.0 **PROPOSED DELIVERY ALLOCATIONS**

- 3.1 Table 1 below identifies the amount awarded to both grant and procured providers in academic year 2019/20 as well as the indicative allocation proposed for 2020/21.
- 3.2 There are some notable changes to consider. These include:
 - 3.2.1 The amalgamation of the grant allocations to Peterborough Regional College and New College Stamford due to the proposed merger in August 2020. If this merger is not undertaken, then the amount will be the same value as 2019/20 to both individual organisations.
 - 3.2.2 Providers have not yet delivered their individual year one (2019/20) allocations. It is proposed that any underspend will be redistributed to the

existing providers or will be used in a future procurement round. A report will be submitted to the Skills Committee in April 2020 detailing an innovation fund might be used to develop the capacity and capability of local providers to deliver new provision that accelerates the transition of existing provision to better meet the needs of the Commissioning Strategy. It will also set give an outline of what a redistribution system will do, how it will be delivered, and when it will go live. The Independent Training Providers (ITPS) identified with a (*) below will enter into a dialogue with Combined Authority officers to determine what can be delivered in 2020/21 and the proposed allocation will be agreed by the Director of Business and Skills in consultation with the Lead Member for Skills in June 2020. The proposed allocation to these providers will not exceed the award offered in 2019/20.

Table 1 AEB Award to Provider	Allocation 2019/20	Proposed, Indicative Allocation 2020/21	Notes
Cambridge Regional College	£2,535,600	£2,535,600	
Cambridgeshire County Council	£2,115,500	£2,115,500	
Peterborough Regional College	£1,782,967	£2,099,365	
Peterborough City College	£1,351,088	£1,351,088	
The College of West Anglia	£415,339	£415,339	
New College Stamford	£316,398	£0	Within PRC award
Bedford College	£191,318	£191,318	
West Suffolk College	£118,889	£118,889	
North Hertfordshire College	£39,717	£39,717	
Hill Road Sixth Form College	£20,000	£20,000	
Central Beds Council	£11,760	£11,760	
Rutland County Council	£2,186	£2,186	
Back to Work Complete Training	£461,945	Not Stated	*Allocation agreed in June
NACRO	£131,810	Not Stated	*Allocation agreed in June
Steadfast Training Limited	£537,765	Not stated	*Allocation agreed in June
The Consultancy Home Counties	£487,880	Not Stated	*Allocation agreed in June
The Skills Network	£398,798	Not Stated	*Allocation agreed in June
TOTAL	£10,918,960	£8,900,762	

4.0 NEXT STEPS

- 4.1 The AEB Programme Manager recommends that delegated authority is given to the Director of Business and Skills, in consultation with the Lead member for Skills, to agree the final allocations for AEB Providers in June 2020. This will be undertaken through an Officer Key Decision after the Quarter 3 meetings with providers. The delegation will include the authority to withdraw, reduce or increase the allocation for 2020/21.

5.0 FINANCIAL IMPLICATIONS

- 5.1 All funding allocations discussed within this paper are financed by the AEB Grant that is provided by the DfE. As noted in Table 1 and stated within 3.2.2, awards for 20/21 will not exceed 19/20 awards, therefore ensuring that the Grant funding is not exceeded. Any potential/probable balance of funds will be awarded through the Innovation Fund as discussed in 3.2.2 to ensure full defrayment of the Grant. As all expenditure is fully funded by the DfE Grant, there are no wider implications on the CPCA budget.

6.0 LEGAL IMPLICATIONS

- 6.1 The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (SI 2018/1146) transfers functions from the Secretary of State to the Combined Authority. The Cambridgeshire and Peterborough Combined Authority Order 2017 gives the Combined Authority the general power of competence.

7.0 SIGNIFICANT IMPLICATIONS

- 7.1 There are no significant implications identified within this report.

8.0 APPENDICES

- 8.1 None

<u>Source Documents</u>	<u>Location</u>
Report to the Skills Committee November 2018	Skills Committee November 2018
Report to the Skills Committee April 2019	Skills Committee April 2019